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Labor Market Digest, June 1994

Maine Bureau of Employment Security

Maine Division of Manpower Research

Maine Labor Market Research

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DIVISION OF ECONOMIC ANALYSIS AND RESEARCH

**LABOR MARKET
DIGEST**

June 1994

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The Labor Market Information Newsletter on Maine Economic Activity

Small Business Formations Up

Broad trends at work in the U.S. economy in the last decade have done much to level the playing field between large and small businesses. A number of factors contributed to this trend, including the increasing affordability, availability, and quality of computer hardware and software; the reduced cost and proliferation of telecommunication services; and deregulation of trucking, financial services, and air transportation.

Improved access to capital and technology by small businesses and growing international competition unleashed a new level of competition in markets for products and services once the sole domain of the very largest companies. Greater competition forced many big businesses to improve productivity and customer service, but also revealed the Achilles' heel of size: by their nature, large organizations have difficulty responding quickly to new challenges in the marketplace. Smaller businesses are able to maintain a level of flexibility and responsiveness that larger businesses have difficulty achieving.

Facing greater competition and the need to improve productivity, many large businesses responded by restructuring operations, contracting out non-core functions such as payroll administration and janitorial services, and slashing employment. The magnitude of the layoff announcements at IBM, General Motors, and other giants gained widespread publicity.

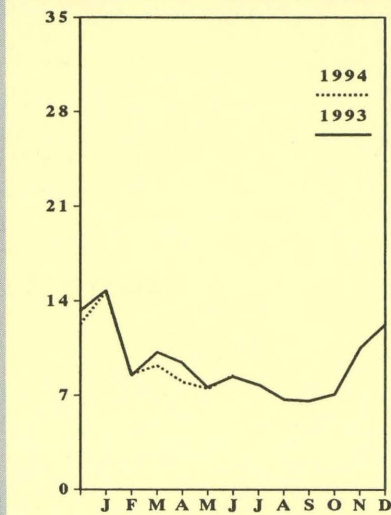
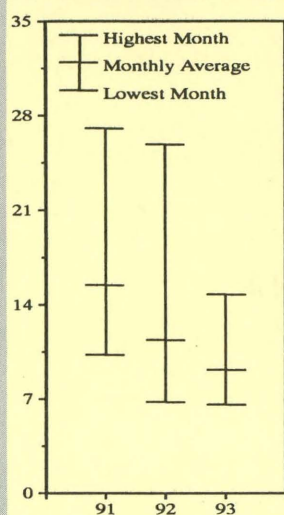
Gaining much less attention is another important trend: the number of small businesses is growing at a very rapid rate. According to a Small Business Administration report, during the 1980s the number of jobs in the top 500 U.S. industrial companies declined at a rate of 400,000 per year. Small businesses created 20 million net new jobs during the same period and, the report says, that trend accelerated after 1988.

The direct impact of the national downsizings has been limited in Maine. Since 1989 employment among many of Maine's largest businesses has declined due primarily to the economic downturn of the early 1990s. But like the national trend, the number of very small businesses in Maine has grown rapidly in recent years. Between 1989 and 1993, the number of private sector businesses* employing fewer than 20 workers increased by nearly 1,200, and the number of net new jobs increased by nearly 4,000. The number of businesses employing more than 20 workers declined by nearly 100, and the net number of jobs dropped by nearly 20,000 during the same period.

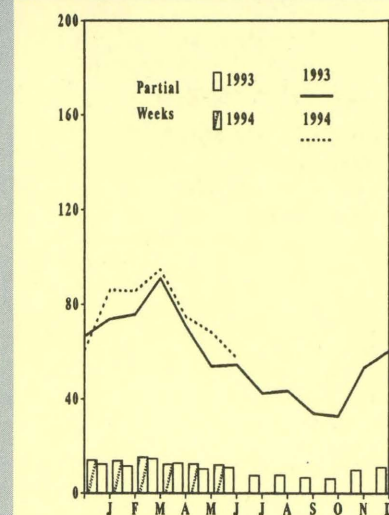
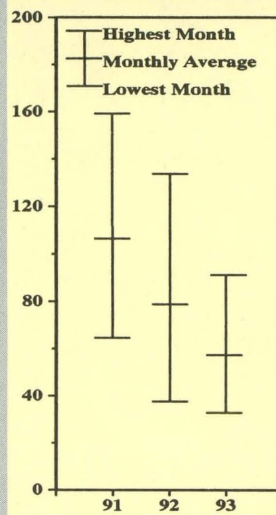
This trend occurred in all major industry divisions, except construction and services. Employment and the number of businesses declined in all size classes in the construction industry, and increased in all size classes in services.

(Continued on page 2)

UI Initial Claims In Thousands



UI Intrastate Weeks Claimed In Thousands



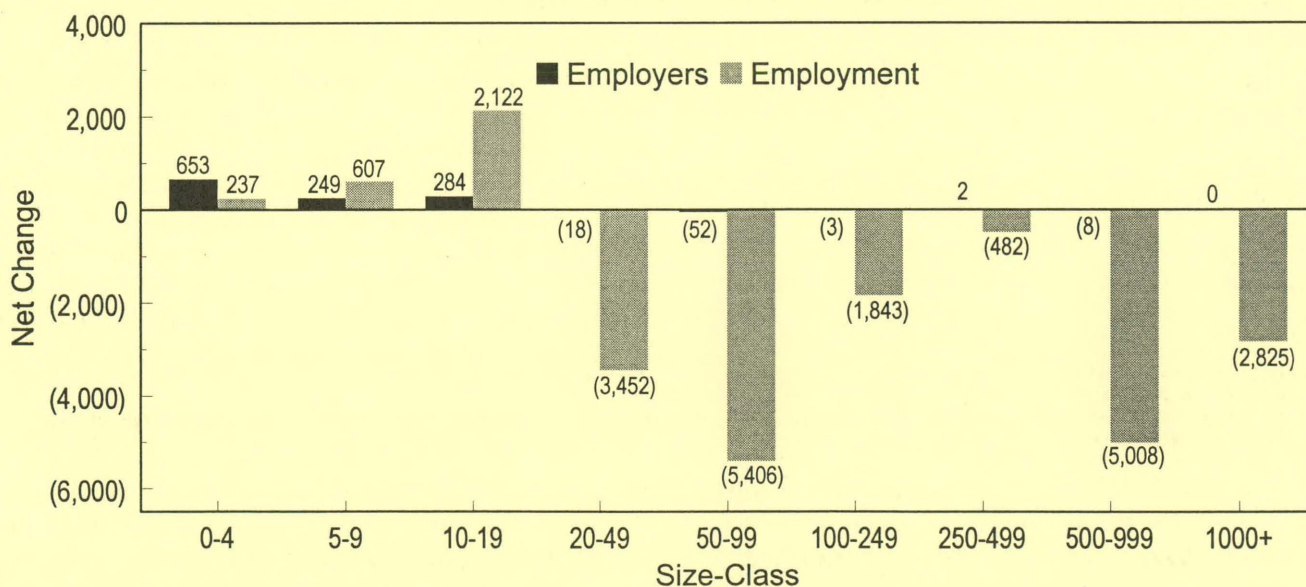
Most of the new small businesses were in wholesale and retail trade, services, and manufacturing. The losses of large firms were mainly in construction, manufacturing, and wholesale trade. Some of the growth in the number of small businesses was from larger firms downsizing into smaller size classes,

but most of the growth was from the establishment of new businesses.

* Data for establishments covered under the Maine Employment Security Law.

by Glenn Mills
Sr. Economic Research Analyst

Change in Employers and Employment by Size Class Maine, 1989 to 1993



Source: Maine Dept. of Labor, Division of Economic Analysis and Research, ES-202 Covered Employment and Wages Program.



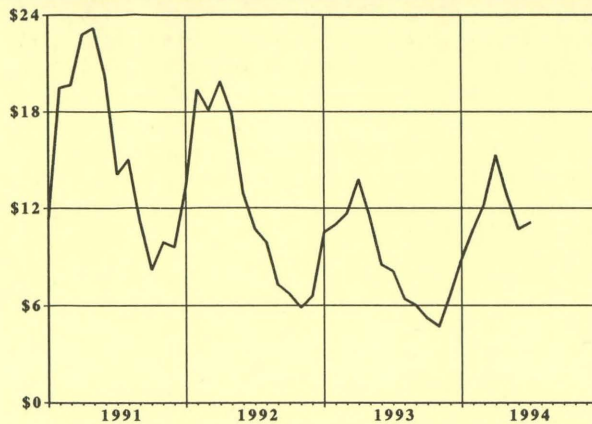
Selected Employment Security Activities



Unemployment Insurance Benefit Payments

In Millions

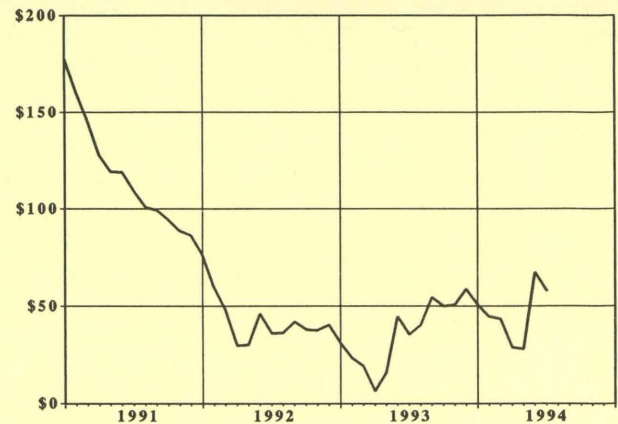
(Total includes Maine's Portion of Extended Benefits)



Unemployment Compensation Fund Balance

In Millions

(End of Month)



Earnings and Workweek of Production Workers in Manufacturing Industries

AREA AND INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS			ANNUAL AVERAGE HOURLY EARNINGS		
	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago	1991	1992	1993
STATEWIDE												
Manufacturing.....	\$480.79	\$477.46	\$473.21	40.2	40.6	40.9	\$11.96	\$11.76	\$11.57	\$11.08	\$11.38	\$11.63
Durable Goods.....	461.64	465.16	465.44	39.9	40.1	40.9	11.57	11.60	11.38	10.61	11.14	11.43
Lumber and Wood Products.....	380.28	385.02	379.26	41.2	41.4	42.0	9.23	9.30	9.03	8.97	9.25	9.33
Primary and Fabricated Metals.....	450.73	442.40	480.49	41.2	40.0	43.8	10.94	11.06	10.97	10.18	10.45	11.00
Industrial Machinery and Equipment.....	610.06	622.17	560.03	44.4	44.6	41.7	13.74	13.95	13.43	12.43	12.82	13.32
Electronic and Other Electric Equipment.....	395.86	401.32	409.62	37.1	38.7	38.9	10.67	10.37	10.53	9.91	10.02	10.33
Transportation Equipment.....	556.37	552.96	585.86	37.9	37.9	40.1	14.68	14.59	14.61	12.55	14.09	14.64
Other Durable Goods.....	378.39	389.37	366.53	40.6	40.9	40.5	9.32	9.52	9.05	8.57	8.86	8.89
Nondurable Goods.....	495.71	486.30	480.93	40.4	40.9	41.0	12.27	11.89	11.73	11.48	11.57	11.79
Food and Kindred Products.....	328.52	346.65	343.71	34.4	35.7	36.8	9.55	9.71	9.34	8.76	9.15	9.34
Textile Mill Products.....	428.64	422.40	402.40	41.9	44.0	42.9	10.23	9.60	9.38	8.82	9.03	9.49
Apparel and Other Textile Products.....	312.04	287.07	284.46	35.5	36.2	36.8	8.79	7.93	7.73	7.28	7.65	7.95
Paper and Allied Products.....	776.14	743.16	735.59	43.8	44.0	44.5	17.72	16.89	16.53	16.06	16.25	16.63
Leather and Leather Products.....	320.10	320.19	310.76	38.8	39.0	38.7	8.25	8.21	8.03	7.82	7.92	8.00
Other Nondurable Goods.....	425.80	424.27	409.02	41.1	40.6	40.1	10.36	10.45	10.20	9.85	10.07	10.28
PORTLAND MSA												
Manufacturing.....	419.76	414.95	432.06	39.6	38.6	39.1	10.60	10.75	11.05	10.45	10.55	10.68
LEWISTON-AUBURN MSA												
Manufacturing.....	399.91	388.85	393.82	39.4	39.8	40.6	10.15	9.77	9.70	9.33	9.53	9.82

Female Labor Force in Maine In Thousands

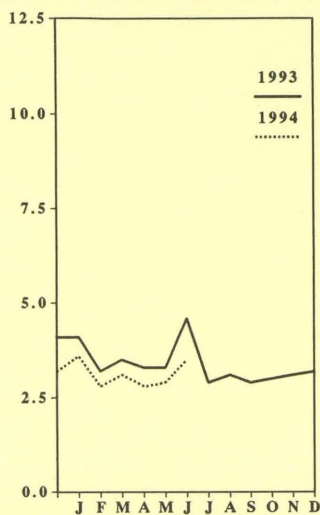
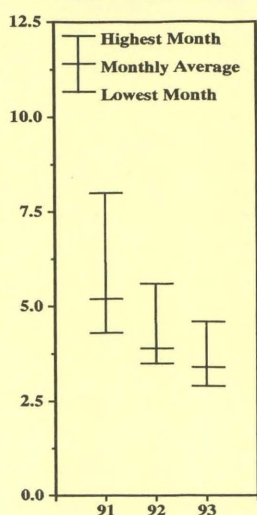
ITEM ^{1/}	This Month	Last Month	Year Ago
Labor Force	295.9	296.9	306.7
Unemployment (Percent)	14.2	15.5	25.5
Resident Employed	281.7	281.4	281.2

U.S. Consumer Price Index

BASE PERIOD (1982-1984 = 100) All Items (CPI-U)	This Month	Last Month	Year Ago	Last Dec.
	148.0	147.5	144.4	145.8
Percent Change for Past Month			+0.3%	
Percent Change from Last December			+1.5%	
Percent Change from 12 Months Ago			+2.5%	

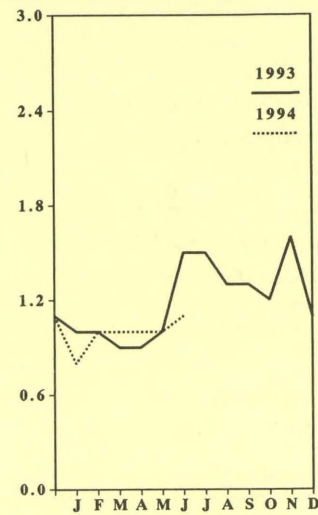
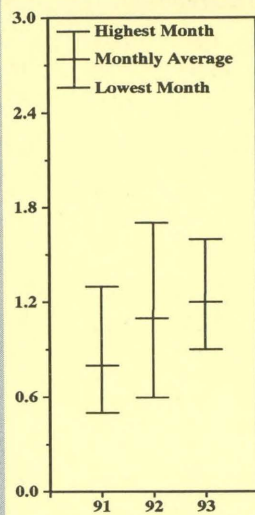
^{1/} Current figures preliminary; last month and year ago figures revised.
Source: Female labor force estimates are developed by, and solely the responsibility of, the Maine Division of Economic Analysis and Research.

New Applications For Work in Thousands



Nonfarm Placements in Thousands

(Excludes Placements of Less than Three Days Duration)



Nonfarm Wage and Salary Employment by Place of Work (in Thousands)

ITEM	STATEWIDE			PORTLAND MSA			LEWISTON-AUBURN MSA		
	THIS MONTH	LAST MONTH	YEAR AGO	THIS MONTH	LAST MONTH	YEAR AGO	THIS MONTH	LAST MONTH	YEAR AGO
Nonfarm Wage and Salary Employment 1/.....	534.4	526.0	530.9	127.0	125.7	126.3	40.6	40.1	39.5
Goods Producing.....	116.2	113.9	114.4	19.4	18.9	19.0	10.3	10.1	10.2
Construction and Mining.....	23.2	22.3	22.8	5.7	5.4	5.6	1.7	1.6	1.7
Building Construction.....	5.5	5.5	5.3	1.2	1.2	1.2	n/a	n/a	n/a
Special Trade Contractors.....	13.0	12.4	12.8	3.8	3.7	3.7	n/a	n/a	n/a
Manufacturing.....	93.0	91.6	91.6	13.7	13.5	13.4	8.6	8.5	8.5
Durable Goods.....	41.2	40.5	40.3	6.1	6.1	5.9	2.2	2.1	2.3
Lumber and Wood Products.....	10.5	10.0	10.4	n/a	n/a	n/a	n/a	n/a	n/a
Primary and Fabricated Metals.....	3.4	3.4	3.3	n/a	n/a	n/a	n/a	n/a	n/a
Industrial Machinery and Equipment.....	4.3	4.2	3.7	1.4	1.4	1.2	n/a	n/a	n/a
Electronic and other Elect. Equip.....	6.9	6.9	6.7	2.0	2.0	2.0	n/a	n/a	n/a
Transportation Equipment.....	12.2	12.2	12.1	(d)	(d)	(d)	n/a	n/a	n/a
Other Durable Goods 2/.....	3.9	3.8	4.1	2.7	2.7	2.7	n/a	n/a	n/a
Nondurable Goods.....	51.8	51.1	51.3	7.6	7.4	7.5	6.4	6.4	6.2
Food and Kindred Products.....	6.6	6.4	6.5	1.9	1.8	2.0	n/a	n/a	n/a
Textile Mill Products.....	5.8	5.8	5.6	(d)	(d)	(d)	n/a	n/a	n/a
Apparel and Other Textile Products.....	2.7	2.8	2.8	n/a	n/a	n/a	n/a	n/a	n/a
Paper and Allied Products.....	15.7	15.7	16.3	(d)	(d)	(d)	n/a	n/a	n/a
Printing and Publishing.....	5.5	5.5	5.4	1.7	1.7	1.6	n/a	n/a	n/a
Rubber and Misc. Plastic Products.....	3.1	3.0	3.1	n/a	n/a	n/a	n/a	n/a	n/a
Leather and Leather Products.....	10.6	10.3	10.0	1.3	1.3	1.2	2.1	2.1	1.8
Footwear (except Rubber).....	8.7	8.4	8.1	n/a	n/a	n/a	n/a	n/a	n/a
Other Nondurable Goods 3/.....	1.8	1.6	1.6	2.7	2.6	2.7	4.3	4.3	4.4
Service Producing.....	418.2	412.1	416.5	107.6	106.8	107.3	30.3	30.0	29.3
Transportation and Public Utilities.....	21.8	20.9	22.4	6.0	6.0	6.0	1.5	1.4	1.4
Wholesale Trade.....	23.4	23.3	23.5	8.6	8.6	8.7	1.9	1.9	1.9
Retail Trade.....	113.3	108.3	110.9	29.4	28.1	28.1	8.5	8.3	8.1
General Merchandise Stores.....	11.5	11.4	11.3	n/a	n/a	n/a	n/a	n/a	n/a
Food Stores.....	18.8	18.0	19.3	n/a	n/a	n/a	n/a	n/a	n/a
Eating and Drinking Places.....	38.7	35.5	37.7	9.4	9.0	8.9	n/a	n/a	n/a
Finance, Insurance, and Real Estate.....	26.2	26.1	26.0	12.1	12.1	12.3	2.0	2.0	1.9
Banking.....	9.1	8.9	9.0	n/a	n/a	n/a	n/a	n/a	n/a
Insurance Carriers, Brokers and Agents.....	11.7	11.7	11.6	n/a	n/a	n/a	n/a	n/a	n/a
Services.....	139.8	137.3	137.9	35.2	34.6	36.0	11.8	11.6	11.5
Hotels and Other Lodging Places.....	12.1	9.8	11.5	n/a	n/a	n/a	n/a	n/a	n/a
Business Services.....	14.6	14.1	14.2	n/a	n/a	n/a	n/a	n/a	n/a
Health Services.....	49.9	49.6	49.6	n/a	n/a	n/a	n/a	n/a	n/a
Federal Government.....	14.6	14.7	16.0	2.1	2.1	2.0	0.3	0.3	0.3
State Government.....	23.9	26.8	24.3	3.9	4.9	3.8	0.6	0.7	0.6
Local Government.....	55.2	54.7	55.5	10.3	10.4	10.4	3.7	3.8	3.6
Involved in Labor-Management Disputes.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

1/ Employment figures relate to full- and part-time wage and salary workers in pay periods including the 12th of the month. Domestic workers in private households, proprietors, self-employed, and unpaid family workers are excluded. 2/ Includes Standard Industrial Classification (SIC) codes: Statewide - 25, 32, 38, 39; Portland - 24, 25, 32, 33, 34, 37, 38, 39. 3/ Includes SIC codes: Statewide - 28, 29; Portland - 20, 22, 23, 26, 30; Lewiston - 20, 22, 23, 26, 27. 4/ Regular teachers are included in summer months whether or not specifically paid in those months. n/a - data not available in sufficient detail for publication. * Less than 50. (d) Nondisclosure item. Source: Nonfarm wage and salary employment by place of work and earnings, and workweek of production workers in manufacturing industries are developed by the Maine Division of Economic Analysis and Research in cooperation with the U.S. Bureau of Labor Statistics.

Labor Force, Employment and Unemployment

Area 1/	LABOR FORCE 2/			RESIDENT EMPLOYED			UNEMPLOYMENT Number			UNEMPLOYMENT Percent of Labor Force		
	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago
MAINE-STATEWIDE (000).....	627.4	614.3	647.5	589.5	578.4	596.6	37.9	35.9	50.9	6.0	5.8	7.9
MAJOR LABOR MARKETS												
Bangor MSA.....	48,500	48,900	48,300	46,300	46,800	45,400	2,200	2,100	3,000	4.6	4.3	6.2
Lewiston-Auburn MSA.....	49,800	49,100	50,600	46,500	46,100	46,000	3,300	3,000	4,600	6.7	6.0	9.0
Portland MSA.....	119,000	117,500	122,300	113,600	113,000	114,600	5,400	4,600	7,700	4.5	3.9	6.3
Portsmouth-Rochester MSA.....	n/a	n/a	121,500	n/a	n/a	115,300	n/a	n/a	6,200	n/a	n/a	5.1
OTHER LABOR MARKETS												
Augusta.....	43,120	42,760	45,920	40,870	40,580	42,530	2,250	2,190	3,390	5.2	5.1	7.4
Bath-Brunswick.....	33,450	33,430	35,020	32,160	32,150	32,860	1,290	1,290	2,160	3.9	3.8	6.2
Belfast.....	11,930	11,590	12,310	11,170	10,820	11,230	750	780	1,080	6.3	6.7	8.8
Biddeford.....	36,270	33,950	38,060	34,740	32,430	35,690	1,530	1,520	2,380	4.2	4.5	6.2
Boothbay Harbor.....	9,060	8,070	9,130	8,730	7,760	8,680	330	310	450	3.6	3.9	5.0
Bucksport.....	5,040	4,930	5,230	4,760	4,660	4,890	280	280	340	5.6	5.6	6.4
Calais.....	5,260	5,190	5,560	4,630	4,550	4,690	630	640	870	12.0	12.3	15.6
Dexter-Pittsfield.....	13,220	12,880	13,370	12,100	11,770	11,960	1,120	1,110	1,410	8.5	8.6	10.5
Dover-Foxcroft.....	7,060	6,890	7,320	6,540	6,370	6,660	520	520	660	7.4	7.5	9.1
Ellsworth-Bar Harbor.....	18,900	16,910	19,470	17,950	15,800	18,110	940	1,110	1,360	5.0	6.6	7.0
Farmington.....	17,220	17,350	18,410	15,990	15,970	16,720	1,230	1,370	1,690	7.1	7.9	9.2
Fort Kent.....	3,700	3,490	3,880	3,160	2,890	3,200	540	600	680	14.6	17.1	17.6
Greenville.....	1,180	1,060	1,210	1,080	940	1,090	100	120	120	8.7	11.5	10.2
Houlton.....	6,720	6,440	6,840	6,160	5,900	6,200	560	540	650	8.3	8.4	9.4
Jonesport-Milbridge.....	3,830	3,630	3,860	3,440	3,290	3,330	390	340	530	10.1	9.4	13.7
Kittery-York.....	18,840	18,860	19,370	18,320	18,330	18,690	520	540	680	2.8	2.8	3.5
Lincoln-Howland.....	5,660	5,550	5,810	5,170	4,990	5,170	480	570	640	8.6	10.2	11.0
Machias-Eastport.....	6,830	6,660	6,970	6,110	6,020	6,050	720	640	920	10.6	9.6	13.2
Madawaska.....	4,280	4,150	4,210	3,980	3,840	3,870	300	310	340	6.9	7.5	8.0
Millinocket-East Millinocket.....	5,690	5,580	6,020	5,060	5,000	5,430	630	580	590	11.0	10.4	9.8
Norway-Paris.....	9,990	9,820	10,770	8,980	8,960	9,620	1,010	860	1,150	10.1	8.7	10.7
Outer Bangor.....	7,480	7,210	7,590	6,890	6,630	6,850	590	590	740	7.9	8.1	9.7
Patten-Island Falls.....	2,080	1,970	1,960	1,890	1,740	1,760	190	230	200	9.0	11.8	10.0
Presque Isle-Caribou.....	20,740	20,480	22,380	18,450	18,380	19,750	2,290	2,100	2,640	11.1	10.3	11.8
Rockland.....	21,740	20,780	22,150	20,760	19,950	20,850	970	820	1,300	4.5	4.0	5.9
Rumford.....	10,220	10,000	10,250	9,210	9,060	9,170	1,010	940	1,080	9.9	9.4	10.5
Sanford.....	21,380	20,900	21,330	20,040	19,780	19,400	1,340	1,120	1,920	6.3	5.4	9.0
Sebago Lakes Region.....	12,330	11,850	13,370	11,550	11,170	12,390	780	680	980	6.4	5.7	7.3
Skowhegan.....	15,990	15,730	16,460	14,510	14,260	14,720	1,480	1,470	1,740	9.3	9.3	10.6
Stonington.....	5,250	5,150	5,370	5,050	4,940	5,070	200	210	300	3.7	4.0	5.6
Van Buren.....	1,510	1,470	1,580	1,340	1,320	1,320	180	160	250	11.6	10.8	16.1
Waterville.....	24,100	24,040	25,180	22,300	22,260	22,750	1,810	1,780	2,430	7.5	7.4	9.7
NEW ENGLAND STATES (000)												
Connecticut.....	n/a	n/a	1,830.7	n/a	n/a	1,711.5	n/a	n/a	119.2	n/a	n/a	6.5
Massachusetts.....	3,216.0	3,155.0	3,216.0	3,023.0	2,972.0	3,011.0	193.0	183.0	205.0	6.0	5.8	6.4
New Hampshire.....	n/a	n/a	623.9	n/a	n/a	583.8	n/a	n/a	40.0	n/a	n/a	6.4
Rhode Island.....	n/a	n/a	513.2	n/a	n/a	476.4	n/a	n/a	36.8	n/a	n/a	7.2
Vermont.....	313.8	308.2	321.7	301.3	294.9	304.8	12.5	13.3	16.9	4.0	4.3	5.2
UNITED STATES(000).....	132,115	130,602	129,839	123,864	122,946	120,586	8,251	7,656	9,252	6.2	5.9	7.1

Footnotes

1/ Labor force, employment, and unemployment data for all areas are by place of residence and are not seasonally adjusted. Estimates made independently for each labor market area have been benchmarked to and extrapolated from the Current Population Survey estimates for the state. All data exclude members of the Armed Forces. Data are rounded for publishing purposes. Employment and unemployment may not add to labor force due to rounding. MSA - Metropolitan Statistical Area. n/a indicates that the information was not available at the time of printing.

2/ Current estimates preliminary. Last month and year ago estimates revised.

3/ Kittery-York is the five-town Maine portion of the Portsmouth-Rochester PMSA which includes towns in both Maine and New Hampshire.

Source: These data are developed by the Maine Division of Economic Analysis and Research in cooperation with the U.S. Bureau of Labor Statistics.

Mid-Month Insured Unemployment

ITEM	STATEWIDE			PORTLAND MSA			LEWISTON-AUBURN MSA		
	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago
Number of continued-week claimants*	11,206	13,794	10,216	1,732	1,890	1,793	1,047	1,197	957

* Continued-week claimants are less partials for week including the 12th of the month.

Civilian Labor Force and Nonfarm Wage and Salary Employment in Maine

Seasonally Adjusted in Thousands

ITEM								1994					
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Civilian Labor Force 1/	631.4	628.1	629.4	627.8	627.6	626.5	624.4	628.0	632.5	625.1	619.6	611.9	611.9
Resident Employment	580.4	578.0	577.1	575.2	575.9	575.1	574.7	568.6	585.5	582.3	579.8	576.6	573.5
Unemployment	51.0	50.1	52.3	52.6	51.6	51.4	49.7	59.4	43.0	42.9	39.8	35.2	38.0
Percent of Labor Force	8.1	8.0	8.3	8.4	8.2	8.2	8.0	9.5	7.4	6.9	6.4	5.8	6.2
Nonfarm Wage and Salary Employment 2/	518.9	519.1	520.3	519.8	521.9	522.2	521.6	517.7	520.9	521.0	524.0	527.6	527.2
Construction	20.4	20.8	20.5	20.4	21.1	21.4	21.7	21.5	21.5	21.5	21.5	22.1	21.5
Manufacturing, Durable Goods	40.3	40.3	40.2	40.3	40.5	40.8	40.8	40.6	41.5	41.6	41.5	41.5	41.4
Manufacturing, Nondurable Goods	50.6	50.7	50.9	50.6	51.1	51.0	51.0	50.6	50.9	51.2	51.0	51.3	51.3
Transportation and Public Utilities	22.1	22.0	22.1	22.1	21.6	21.8	21.9	21.4	21.5	21.3	20.9	21.0	21.5
Wholesale Trade	23.1	23.2	23.2	23.3	23.4	23.4	23.3	23.5	23.4	23.3	23.3	23.2	23.1
Retail Trade	106.9	107.0	107.3	108.0	107.9	107.5	106.8	106.2	106.2	105.7	108.8	110.1	111.2
Finance, Insurance, and Real Estate	25.7	25.7	25.9	25.8	25.9	26.1	26.0	25.9	25.9	26.1	26.1	25.9	25.8
Services	134.6	133.3	134.1	135.2	136.3	136.5	136.7	135.8	136.4	137.0	137.6	138.7	138.3
Government	95.1	95.9	95.9	93.9	94.0	93.6	93.3	92.1	93.4	93.3	93.2	93.8	93.0

1/ Place of residence.

2/ Place of work.

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